GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1134
ANSWERED ON:21.08.2007
DUTY FREE ACCESS TO INDIA S MARKET
Sen Smt. Minati

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has studied the future effect on protection in various sectors in view of Prime Minister`s announcement of duty free access to India`s market to least developed countries of SAARC;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) to (c) During the Fourteenth SAARC Summit held in New Delhi on 3-4 April 2007, India, as the largest country in the region indicated its readiness to accept asymmetrical responsibilities, including opening her markets to her South Asian neighbuors without insisting on reciprocity.In this regard, the Prime Minister, inter alia,announced that India would allow the Least Developed Countries (LDCs) of SAARC duty free access to its markets before the end of the current year.As per the Phased Trade Liberalization Programme (TLP) of the Agreement on South Asian Free Trade Area (SAFTA) which has become operational from 1st July 2006, India as a Non-Least Developed Country of SAARC has to reduce tariffs to zero to five per cent for LDC members of SAARC by 31.12.2008. By the announcement of the Prime Minister, India would complete this TLP for SAARC LDCs with effect from 31.12.2007, i.e. one year in advance. The SAFTA tariff concessions are not applicable to the items in